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## IN THE CLAIMS

Cancel claims 1, 2, 7, 10, 11, 12, 13, 14, 19, 22, 23, and 24.

1-8. (canceled)

Amend claims 9 and 21 as follows:

- 9. (currently amended): A method of operating an encoding workstation of an image-based item processing system to process physical document items which are contained in a number of document trays without using a group of physical tracer document items in the document trays, the method comprising the steps of:
- (a) determining whether a group of physical tracer document items is included in a tray of physical document items; and
- (b) associating a unique group of logical tracer document items with the tray of physical document items when the determination in step (a) is negative;
- (c) assigning a logical pocket number to each logical tracer document item in the unique group of logical tracer document items;
- (d) for each logical tracer document item, encoding a physical blank document item with information associated with the particular logical tracer document item; and
- (e) for each encoded item of step (d), routing the encoded physical document item to a physical pocket which has been assigned the logical pocket number of step (c).

10-20. (canceled)

21. (currently amended): An encoding workstation of an image-based item processing system for processing physical document items which are contained in a number of document trays without using a group of physical tracer document items in the document trays, the encoding workstation comprising:

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means for determining whether a group of physical tracer items is included in a tray of physical document items; and

means for associating a unique group of logical tracer document items with the tray of physical document items when the determination is negative;

means for assigning a logical pocket number to each logical tracer document item in the unique group of logical tracer document items;

for each logical tracer document item, means for encoding a physical blank document item with information associated with the particular logical tracer document item; and

for each encoded item, means for routing the encoded physical document item to a physical pocket which has been assigned the corresponding logical pocket number assigned thereto.

## 22-24. (canceled)

- 25. (previously presented): A method of operating a distributed image capture proof-of-deposit system having a central processing site and a number of branches connected via a network with the central processing site, the method comprising:
- (a) capturing at a branch images of physical document items without use of a group of physical tracer document items;
- (b) transferring the captured images of physical document items from the branch via the network to the central processing site;
- (c) receiving at the central processing site the images transferred from the branch;
- (d) assigning a unique entry number to all batches of document items received from the branch during a predetermined period of time;
- (e) creating a group of logical tracer document items based upon the assigned unique entry number; and

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- (f) associating the group of logical tracer document items with all batches of document items received from the branch during the predetermined period of time so as to allow further downstream processing of the batches of document items at a later time.
- 26. (previously presented): A distributed image capture proof-of-deposit system having a central processing site and a number of branches connected via a network with the central processing site, the system comprising:

means for capturing at a branch images of physical document items without use of a group of physical tracer document items;

means for transferring the captured images of physical document items from the branch via the network to the central processing site;

means for receiving at the central processing site the images transferred from the branch;

means for assigning a unique entry number to all batches of document items received from the branch during a predetermined period of time;

means for creating a group of logical tracer document items based upon the assigned unique entry number; and

means for associating the group of logical tracer document items with the batches of document items received from the branch during the predetermined period of time so as to allow further downstream processing of the batches of document items at a later time.